



Ninety-Seventh Legislature - First Session - 2001
Introducer's Statement of Intent
LB 49

Chairperson: Senator David M. Landis
Committee: Banking, Commerce and Insurance
Date of Hearing: January 16, 2001

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 49 would amend four sections of Nebraska's adoption of Revised Uniform Commercial Code (UCC) Article 9 (Secured Transactions) (1998) in order to correct unintended variations in Nebraska's version from the official text as approved by the uniform law commissioners and recommended to the states.

Revised UCC Article 9 was adopted by Nebraska with the enactment of LB 550 (Landis) in 1999 (operative July 1, 2001). Nebraska was one of the very first states to adopt Revised UCC Article 9. However, this promptness also meant that Nebraska's 1999 enactment was based on the latest available official text, but not the final version. Research done in 2000 revealed four sections which contain unintended variations from the official text. These variations would be corrected by LB 49, as follows:

Section 1 would amend UCC Section 9-342 to change language regarding a "type" of agreement to a "kind" of agreement.

Section 2 would amend UCC Section 9-519 to provide that a file number assigned by the Secretary of State for a filed record must include a digit that "aids the filing office in determining" rather than "enables the filing office to detect" whether a number communicated as the file number includes a single-digit or transpositional error.

Section 3 would amend UCC Section 9-611 to clarify when a secured party must send an authenticated notification of disposition of collateral after default to each "other lienholder" as well as to each other secured party which held a security interest in or other lien on the collateral.

Section 4 would amend UCC Section 9-706 to clarify that a reference to "a financing statement" means "an initial financing statement" in provisions which allow the filing of an initial financing statement on or after July 1, 2001 to continue the effectiveness of a financing statement filed before July 1, 2001 (under former UCC Article 9).

The bill carries the emergency clause and would become operative on July 1, 2001 in order to coincide with the operative date of the entire Revised UCC Article 9.

Principal Introducer: _____
Senator David M. Landis